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4 March 1991  
OCA: 0787-91

NOTE FOR: See Distribution

FROM: Director of Congressional Affairs

SUBJECT: SSCI's Intelligence Community Reorganization Study

1. We have obtained a document that is reliably represented to us as an issue paper prepared by SSCI staff to highlight key Intelligence Community problem areas and possible remedial actions. This paper, a copy of which is attached, reportedly was forwarded to the SSCI leadership on 1 March.

2. The staff's procedural plan is to have the Chairman and Vice Chairman deliver a series of floor statements on reorganization issues this month, to be followed by public hearings and the introduction of a reorganization bill. Additional hearings would follow later this summer and fall, with committee markup of the legislation tentatively scheduled to take place next February.

3. There may be an opportunity available to make indirect input into the SSCI's deliberations on the issue paper at this important early stage. I would greatly appreciate your comments on any or all of the thirteen identified problem areas.

4. The issue paper probably will receive wider distribution among committee members and staff shortly; we can expect that information on at least some of the identified problem areas will find its way to the media.

STAT

  
E. Norbert Garrett

Attachment

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PROBLEM #1: The DCI's Community Role is Weak.

Although a key responsibility of the DCI is to manage the Intelligence Community, whether he does so is largely a matter of the DCI's personality and interests. In any event, the DCI is viewed by many as being a captive of the CIA and not sufficiently sensitive to Defense requirements. Moreover, there are a number of potentially important community roles for the DCI that he does not play at all or has been ineffectual at playing (e.g., evaluation of intelligence effectiveness). By a virtually unanimous consensus, the Intelligence Community Staff has been a failure at carrying out the DCI's community functions.

Tentative Preferred Solution:

- Create by statute, a second Deputy DCI for the Intelligence Community, confirmed by the Senate, and charged with the day-to-day execution of the DCI's community responsibilities;

Legislate specific community responsibilities for both to include budget, policy, long-term planning, collection management, performance evaluation, and the coordination of foreign liaison relationships.

Abolish the Intelligence Community Staff and authorize the DDCI for the Intelligence Community to hire his own staff (rather than requiring agencies to assign personnel on a rotational basis) which is oriented towards the consumer rather than managing the various intelligence disciplines or "INTs".

Additional/Alternative Solutions:

- Create a Director of National Intelligence, separate from CIA.
- Create by statute, a second Deputy DCI for the Intelligence Community, and have this position filled by the Assistant Secretary of Defense responsible for intelligence.
- Retain the current statutory positions, but require that one of the two (DCI or Deputy DCI) be filled by a military flag officer.

PROBLEM #2. Although the National Security Act of 1947 provides that the DCI will carry out his responsibilities under the supervision of the National Security Council, and the DCI is designated by Executive Order as principal intelligence advisor to the President, in fact, there are no mechanisms at the NSC-level to provide guidance to the DCI with respect to intelligence activities, nor do there appear to be adequate mechanisms to ensure that the President and his senior advisers receive optimum intelligence support.

There is, in fact, virtually no systematic White House input into the Intelligence Community's decisionmaking process, whether it be decisions to acquire technical systems or to establish program priorities. While the DCI and the Intelligence Community is responsive to particular requests for information that it may receive from the President or his staff, their role is largely reactive and ad hoc, rather than being systematically integrated into the decisionmaking process.

**Tentative Preferred Solution:**

- Create an NSC-level Committee on Foreign Intelligence, chaired by the DCI, composed of the Deputy Secretary of Defense, and Deputy National Security Advisor. Charge with review of, and setting the bottom line for, the NFIP budget, and for setting intelligence priorities consonant with the overall needs of the government.

**Additional/Alternative Solution:**

- Create under the DCI an Office for Presidential Support, to be staffed with appropriate elements from the Intelligence Community and make this office responsible on a day-to-day basis for integrating intelligence support into the White House decisionmaking process.

PROBLEM #3: The role played by the Office of the Secretary of Defense in managing intelligence activities is too weak and accountability is too dispersed.

Responsibility for intelligence activities is spread out over several offices within the OSD. OSD has no real ability to manage the departmental intelligence activities (TIARA) of the military services. It also plays a relatively weak role in managing the DoD portions of the NFIP, and its role in the Intelligence Community is weak in comparison to DoD subelements with program manager responsibilities.

Tentative Preferred Solution:

- Create an Assistant Secretary of Defense for Intelligence (ASDI) and place all DoD intelligence, counterintelligence and security, and other related functions under his control.

Additional/Alternative Solutions:

- Strengthen the ability of the Director, DIA to manage DoD intelligence on behalf of both JCS and the Secretary.
- Retain the current Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, but give him specific statutory authority for control of all DoD intelligence functions.

PROBLEM #4. The budgetary decision-making process for intelligence activities is outdated and requires change in order to better assure adequate support of both military and non-military consumers of intelligence.

The current delineation between "national" and "tactical" intelligence activities for purposes of the budget process creates ambiguities in responsibilities across the agencies and the military services, leads to unnecessary duplication in some functional areas, and the absence of needed capabilities in others. Moreover, the intelligence budget process is based almost entirely within DoD and the ability of this process to adequately address the requirements of non-DoD customers in the future is questionable.

Possible Solutions:

- The responsibilities of the DCI, the Secretary of Defense, and the military services for financing intelligence activities should be clarified and resource decisions made at the appropriate level. For example, those capabilities which provide significant support to a broad range of consumers beyond DoD should be placed within the National Foreign Intelligence Program under the cognizance of the DCI; those which provide significant support to a broad range of DoD consumers or warfighting CINCs should be placed in a new Consolidated Defense Intelligence Program under the cognizance of the Secretary of Defense; and, those which primarily serve specific Departmental consumers should remain with the Department concerned, i.e. within framework provided by TIARA.
- The intelligence budget total should be publicly disclosed, so that budget authorization and appropriations bills could be considered apart from the DoD budget.
- The NFIP and CDIP (or, alternatively, only the NFIP) budget total should be publicly disclosed.

PROBLEM #5. There are too many intelligence organizations and too many intelligence staffs within the military services performing functions in support of military commanders at all levels which could be more efficiently and effectively performed through more streamlined organizations.

Over the decade of the 1980s intelligence staffs at every echelon of command and in each service grew at a rapid pace. While each of these provide a center for tailored intelligence support to a particular military commander, the need for the full panoply of support at each location is questionable in light of Goldwater-Nichols. Moreover, significant resources appear tied up performing functions that are overly duplicative or entail unnecessarily large administrative staffs.

**Tentative Preferred Solution:**

- Require the military departments to create a single intelligence command within each service. Consolidate separate service intelligence organizations in the various geographic areas into Joint Intelligence Centers serving the warfighting CINCs. Specifically charge the ASD(I) with eliminating unnecessary duplication in defense intelligence activities.

**Other Solutions:**

- As above, but allow the military departments if they wish, to have no more than two separate intelligence commands, one for SIGINT under the long-established coordination of NSA and the second for the remaining service intelligence activities.
- Require the consolidation of all current intelligence production done at the Pentagon for the Office of the Secretary, Joint Chiefs of Staff, and Military Departments into one Joint Intelligence Center.

PROBLEM #6: The role of the Director of DIA is ambiguous and he lacks the authority vis-a-vis the military departments to carry out the roles he possesses.

The principal role of the Director of DIA is to provide intelligence support to OSD and the Joint Chiefs of Staff, but the organization has not performed well, particularly in supporting OSD. DIA is also charged with coordinating certain intelligence activities of the military departments (e.g. HUMINT, imagery requirements and dissemination, communications support) but generally lacks the authority and sometimes the expertise to carry out this coordination role.

**Tentative Preferred Solution:**

- Legislate a charter for the Defense Intelligence Agency which clearly sets forth its mission and functions and provides clear authority to carry out such functions. Provide explicit authority for DIA to manage all DoD intelligence production and other areas identified by the Secretary and the Chairman of the Joint Chiefs of Staff.

**Other Solution:**

- Strip DIA of all responsibilities except for production of intelligence. Strengthen DIA's authorities to manage production for all of DoD. Transfer all other responsibilities with appropriate staff to the Assistant Secretary with cognizance for intelligence.

PROBLEM #7: The provision of intelligence support to military commanders, particularly from national systems or agencies, could be considerably improved.

Military commanders need to be involved in the planning and development of national systems, as well as need to be better aware of and able to "tap into" national systems and/or capabilities to meet their operational requirements. While service component commanders have had in-depth organic intelligence support, the CINCs of U&S commands have received relatively weak support in peacetime, and ad-hoc support during crises or war.

**Tentative Preferred Solution:**

- Require the DCI to take certain steps to strengthen national intelligence support to the CINCs and assure that the CINCs have sufficient insight into national intelligence capabilities to carry out their responsibilities both in peace and in war (e.g. providing CINCs with the staff support necessary to avail themselves of CIA capabilities, establishing dedicated crisis support teams to exercise with theater forces and deploy in support of the CINC in crisis, provide guidance in terms of utilizing national technical means in support of CINC requirements). This support should be institutionalized and proactive, not ad-hoc and reactive.

**Other Solutions:**

- Provide DIA the role of being the central point of contact between the CINCs and the national intelligence community. Strengthen DIA's ability to raise issues in the national and tactical intelligence programs on behalf of the CINCs.
- Require each major national intelligence agency to establish or expand their direct support capabilities at each of the major warfighting CINCs.



PROBLEM #8: Although the Intelligence Community provides threat assessments to support the weapons acquisition process at DoD, the process does not guarantee objectivity or thoroughness.

Although the military departments possess S&T centers of demonstrated expertise who generally construct these assessments, it is unclear whether such assessments are effected by overall service positions with respect to the acquisitions in question, or whether all the relevant expertise in the Government is brought to bear. CIA plays in this process only on an ad hoc basis. DIA is supposed to act as a check on such assessments but lacks the ability to perform this role effectively.

Possible Solutions:

- Establish a formal NIE-like process within the Department of Defense, involving the Central Intelligence Agency and other agencies with relevant expertise (e.g., DoE, national and service laboratories, etc.) to consider threat assessments involving major acquisition decisions.
- Give DIA program management authority over the military services' S&T centers, to serve all of DoD as well as the needs of the individual services.
- Subordinate the Air Force S&T center to an intelligence command as in the Army and Navy (vice weapons development command).
- Strengthen DIA's expertise in S&T analysis and its ability to monitor, supervise, and independently validate service threat assessments.

PROBLEM #9: The system for coordinating imagery collection, processing, and dissemination at both the national and DoD levels could be substantially improved.

The highly technical nature of imagery processing, analysis and dissemination requires development of common standards and systems across the intelligence community. However, there is no element of the Community able to perform this role effectively as the various agencies and the military jealously guard their prerogatives in this very important collection discipline. The National Photographic Interpretation Center (NPIC) is neither "national" nor a "center" for exploitation activity.

Tentative Preferred Solution:

- The DCI should designate a "National Imagery Authority" to establish common standards and systems for the processing, analysis, and dissemination of imagery across the Intelligence Community.

Additional/Alternative Solutions:

- Create a national imagery "Czar" under the DCI to supervise all aspects of U.S. imagery activities in a manner similar to how the Director NSA supervises national SIGINT.
- Designate a single official in DoD to have overall responsibility for coordinating imagery requirements, processing and dissemination within the Department of Defense.

PROBLEM #10: There are a variety of personnel/administrative obstacles which are a bar to effective, efficient performance by the U.S. Intelligence Community.

At the present time the intelligence community is furnished one flag officer billet for senior leadership without regard to the service allocations for flag officers although there are at least three (and arguably four) positions that warrant 3-star rank (DCI/DDCI, Director IC Staff, Director NSA, and Director DIA). Beyond the one "free" slot, the military services can refuse to nominate qualified intelligence professionals for 3-star level positions out of their service allocations. Indeed, officers without intelligence experience can be placed in key positions. Finally, the lack of a common civilian personnel management system across DoD inhibits the flexibility of DoD components to respond effectively to intelligence needs (e.g., no smooth way to transfer civilians between agencies to put their expertise to work on particular intelligence problems).

**Tentative Preferred Solutions:**

- Exempt four senior positions of the national intelligence community from the ceilings for flag officers of the military departments.
- Provide for Senate confirmation of the Directors of NSA and DIA.
- Give DIA the authority to manage a civilian intelligence personnel system to improve flexibility in personnel management and assignments, allow for transfer of skills across organizations, and enhance overall professionalism.

**Alternative Solution:**

- As above, but exempt less than four senior positions from the ceilings for flag officers of the military departments.

PROBLEM #11: HUMINT, as a discipline, is too decentralized, too risk averse, less efficient, more risky, and less productive than it should be.

No single official in the Intelligence Community is responsible for managing clandestine HUMINT activities to meet all applicable requirements. Certain elements have authorities and capabilities others do not have. Operations are not generally managed to meet well-defined national requirements and serious gaps can be present without sufficient effort to close them. Due to concerns for security, competing priorities, and for other reasons, there have been deficiencies in HUMINT support for military requirements and inadequate support to other consumers.

Tentative Preferred Solution:

- Charge the Director of CIA by law with responsibility for ensuring that the clandestine HUMINT activities of the U.S. meet all applicable requirements, and make him responsible for defending those activities to the President and to the Congress. Assure CIA has appropriate senior military representation to carry out this function, and provide for continuing DoD oversight.

Additional/Alternative Solutions:

- Retain the current clandestine operations management arrangements, but provide a senior military officer to the CIA Directorate of Operations with responsibility for coordinating military requirements.
- Establish a DoD-side management entity comparable to the CIA Directorate of Operations with responsibility for the management of all DoD clandestine activities and appropriate coordination with CIA.

PROBLEM #12. Although there are valid reasons why counterintelligence has remained decentralized among the FBI, CIA, and the military departments, a lack of overall control at both the national and DoD levels continues to weaken overall performance.

Possible Solutions:

- Create an NSC Committee on Counterintelligence, chaired by the Deputy National Security Advisor, composed of the DCI, the FBI Director, and Deputy Secretary of Defense, and provide with appropriate staff. Charge it with providing policy direction for U.S. counterintelligence activities, and with establishing mechanisms to coordinate such activities worldwide, regardless of sensitivity.
- Create within the NFIP a National Foreign Counterintelligence Program and make the Director FBI the program manager, with responsibilities similar to those stated above.
- Charge the Office of the Secretary of Defense with coordinating all counterintelligence operational activities of the military departments to prevent overlap and ensure proper focus. Also charge OSD with coordinating all counterintelligence activities involving other DoD components with the FBI and CIA, as appropriate.

PROBLEM #13. The DCI is charged by law and Executive order with providing services of common concern to intelligence agencies. There are numerous areas, however, where elements of the Intelligence Community have instituted programs to accomplish the same or similar functions which could be performed more economically and efficiently either by one organization or through adherence to a common set of standards.

For example, minimum security standards for the protection of Sensitive Compartmented Information held by industrial contractors are set by the DCI. But each intelligence agency administers its own security program with frequently differing requirements levied on contractors, which results in increased costs, failure of one agency to recognize the security validation of another, and other bureaucratic impediments that drive up security costs without appearing to have any measurable effect on security. Similarly, in areas like training, research and development, and communications, agencies have been left to develop programs or systems tailored to their particular needs, when common programs or systems could satisfy the need.

**Tentative Preferred Solution:**

- Direct the DCI to conduct a systematic review of Intelligence Community operations to identify areas where common organizational structures and common standards could lead to significant economies and improved efficiency.

**Additional/Alternative Solution:**

- Within the context of the National Industrial Security Program recently established by the President, the DCI should streamline and standardize security requirements for the protection of Sensitive Compartmented Information held by contractors of all intelligence agencies.